

2

AD-A156 504

PROFESSIONAL MILITARY COMPTROLLER COURSE

# Student Report

Title

TACTICAL UNIT FINANCIAL MANAGEMENT (LD60430A)

By

RONALD H. MCBRIDE, MAJOR  
AVIATION, U.S. ARMY

Class

85-A

DTIC FILE COPY



DTIC  
LECTE  
JUL 10 1985  
E

LEADERSHIP AND MANAGEMENT DEVELOPMENT CENTER

AIR UNIVERSITY / UNITED STATES AIR FORCE / MAXWELL AFB, ALABAMA

1. This report is for the use of the Department of Defense only.  
2. This report is for the use of the Department of Defense only.  
3. This report is for the use of the Department of Defense only.

85 06 25 , 070

## DISCLAIMER

The views and conclusions expressed in this document are those of the author. They are not intended and should not be thought to represent official ideas, attitudes, or policies of any agency of the United States Government. The author has not had special access to official information or ideas and has employed only open-source material available to any writer on this subject.

This document is the property of the United States Government. It is available for distribution to the general public. A loan copy of the document may be obtained from the Air University Interlibrary Loan Service (AUL/LDEX, Maxwell AFB, Alabama, 36112) or the Defense Technical Information Center. Request must include the author's name and complete title of the study.

This document may be reproduced for use in other research reports or educational pursuits contingent upon the following stipulations:

-- Reproduction rights do not extend to any copyrighted material that may be contained in the research report.

-- All reproduced copies must contain the following credit line: "Reprinted by permission of the Air Command and Staff College."

-- All reproduced copies must contain the name(s) of the report's author(s).

-- If format modification is necessary to better serve the user's needs, adjustments may be made to this report--this authorization does not extend to copyrighted information or material. The following statement must accompany the modified document: "Adapted from Air Command and Staff Research Report \_\_\_\_\_ (number) \_\_\_\_\_ entitled \_\_\_\_\_ (title) by \_\_\_\_\_ (author) \_\_\_\_\_."

-- This notice must be included with any reproduced or adapted portions of this document.



REPORT NUMBER 85-1790

TITLE TACTICAL UNIT FINANCIAL MANAGEMENT

AUTHOR(S) MAJOR RONALD H. MCBRIDE, USA

FACULTY ADVISOR MAJOR ROBERT HEATH, ACSC/EDCM

SPONSOR LTC CON KOLLER, FMCS/LMDC-AC

Submitted to the faculty in partial fulfillment of  
requirements for graduation.

AIR COMMAND AND STAFF COLLEGE  
AIR UNIVERSITY  
MAXWELL AFB, AL 36112

UNCLASSIFIED

SECURITY CLASSIFICATION OF THIS PAGE

## REPORT DOCUMENTATION PAGE

1a. REPORT SECURITY CLASSIFICATION <b>UNCLASSIFIED</b>			1b. RESTRICTIVE MARKINGS		
2a. SECURITY CLASSIFICATION AUTHORITY			3. DISTRIBUTION/AVAILABILITY OF REPORT		
2b. DECLASSIFICATION/DOWNGRADING SCHEDULE					
4. PERFORMING ORGANIZATION REPORT NUMBER(S) <b>85-1790</b>			5. MONITORING ORGANIZATION REPORT NUMBER(S)		
6a. NAME OF PERFORMING ORGANIZATION <b>ACSC/EDCC</b>		6b. OFFICE SYMBOL (If applicable)	7a. NAME OF MONITORING ORGANIZATION		
6c. ADDRESS (City, State and ZIP Code) <b>MAXWELL AFB, AL 36112</b>			7b. ADDRESS (City, State and ZIP Code)		
8a. NAME OF FUNDING/SPONSORING ORGANIZATION		8b. OFFICE SYMBOL (If applicable)	9. PROCUREMENT INSTRUMENT IDENTIFICATION NUMBER		
8c. ADDRESS (City, State and ZIP Code)			10. SOURCE OF FUNDING NOS.		
			PROGRAM ELEMENT NO.	PROJECT NO.	TASK NO.
11. TITLE (Include Security Classification) <b>Tactical Unit Financial Management</b>			12. PERSONAL AUTHOR(S) <b>MCBRIDE, RONALD H. MAJOR, USA</b>		
13a. TYPE OF REPORT		13b. TIME COVERED FROM _____ TO _____	14. DATE OF REPORT (Yr., Mo., Day) <b>1985 April</b>		15. PAGE COUNT <b>41</b>
16. SUPPLEMENTARY NOTATION					
17. COSATI CODES			18. SUBJECT TERMS (Continue on reverse if necessary and identify by block number)		
FIELD	GROUP	SUB. GR.			
19. ABSTRACT (Continue on reverse if necessary and identify by block number)					
<p>This report is a simple guide, written using nontechnical words, to assist battalion commanders in managing the tactical unit financial management cycle.</p>					
20. DISTRIBUTION/AVAILABILITY OF ABSTRACT UNCLASSIFIED/UNLIMITED <input type="checkbox"/> SAME AS RPT. <input checked="" type="checkbox"/> DTIC USERS <input type="checkbox"/>			21. ABSTRACT SECURITY CLASSIFICATION <b>UNCLASSIFIED</b>		
22a. NAME OF RESPONSIBLE INDIVIDUAL <b>ACSC/EDCC MAXWELL AFB, AL 36112</b>			22b. TELEPHONE NUMBER (Include Area Code) <b>(205) 293-2483</b>		22c. OFFICE SYMBOL

RONALD H. MCBRIDE, MAJOR  
AVIATION, U.S. ARMY

Account: **Bar**

DATE: **10/11/11**

TIME: **10:10**

BY: **10/11/11**

AMOUNT: **10/11/11**

REMARKS: **10/11/11**

**A-1**



## EXECUTIVE SUMMARY

---

**PURPOSE:** The purpose of this report, "Tactical Unit Financial Management," is to familiarize commanders with the many diverse aspects of battalion and brigade level financial management.

**DISCUSSION:** Tactical unit commanders in the Army today face many challenges and opportunities. One area of critical interest to all new commanders is financial management. Commanders are often concerned they will not receive sufficient mission funding or they will not be able to adequately control their funds. Virtually every commander surveyed expressed the feeling that his knowledge and experience in the area of financial management is often limited and insufficient to meet the responsibilities of command. This report is a simple guide, written using nontechnical words, to assist commanders in managing the Tactical Unit Financial Management Cycle.

## BIOGRAPHICAL DATA

---

NAME/RANK/SERVICE:

RONALD H. MCBRIDE  
MAJOR US ARMY

PMCS CLASS:

85-A

PAPER TITLE:

Tactical Unit  
Financial Management  
(LD60430A)

CURRENT DUTY ADDRESS:

US AIR FORCE  
AIR COMMAND AND STAFF COLLEGE  
MAXWELL AFB, ALABAMA 36106

CURRENT DUTY AUTOVON:

875-2226/2758

PREVIOUS PUBLICATIONS:

None

PROFESSIONAL EXPERIENCE:

ACofS, RESOURCE MANAGEMENT,  
3<sup>RD</sup> SUPPORT COMMAND  
APO NY 09757

AUTHOR/INSTRUCTOR  
CGSC  
FORT LEAVENWORTH, KS

## TABLE OF CONTENTS

---

EXECUTIVE SUMMARY.....	1
BIOGRAPHICAL DATA.....	11
TABLE OF CONTENTS.....	111
PROBLEM.....	1
DISCUSSION.....	2
1. TACTICAL UNIT FINANCIAL MANAGEMENT CYCLE.....	2
2. TRAINING AND BUDGET GUIDANCE.....	3
3. BUDGET FORMULATION.....	5
4. RECEIPT OF FUNDS.....	10
5. QUARTERLY EXPENDITURE PLAN.....	12
6. UNIT EXECUTION.....	15
SUMMARY.....	21
RECOMMENDATIONS.....	22

### ENCLOSURES

1. COMMAND REVIEW
2. COMMITMENT ACCOUNTING FOR UNIT FUNDS REPORT
3. COMMITMENT ACCOUNTING SUMMARY REPORT
4. EQUIPMENT OPERATING REPORT
5. TACTICAL UNIT COMMANDERS FINANCIAL CHECKLIST
6. SAMPLE BATTALION BUDGET WORKSHEET



## PROBLEM

---

Tactical unit financial management represents a significant challenge to both the battalion and brigade commander. Rarely does a commander in today's Army find that he has been provided with sufficient financial resources to accomplish both mission and training requirements. Quite the opposite is true. Training funds as a percentage of total Army operation and maintenance funds continue to decline from FY 82 at 52%, FY 83 at 39%, FY 84 at 37%, to FY 85 projected at 29%. (1:57)

In the execution of a tactical unit financial management program, the commander will find that he exercises a great deal of control over many internal factors. For example, the commander can often determine both the level to which the unit is trained and how to conduct the training. The commander's philosophy on supply and maintenance are directly proportional to supply and maintenance cost for the unit. And finally, the commander often has significant latitude in the performance of garrison support requirements.

At the same time, the commander will often find many external factors which also impact on execution of the tactical unit financial management program. These external factors include congressional decisions, force modernization, and other decisions

made at the major command (MACOM) or installation which affect financial management. For example, at midyear FY 83 Congress made the decision to reprogram \$2.5 billion from the Operation and Maintenance appropriation to the Research and Development appropriation. This decision had a devastating impact on financial management within all tactical units. Many units had to significantly reduce or curtail training. With the glut of force modernization funds flowing into the system, commanders have to, and must continue to ensure the proper use of these funds. And finally, MACOM's will often make decisions regarding reprogramming of funds which impact on tactical unit commanders. For example, a MACOM might reprogram funds from training to pay base operation utility cost.

This paper, the contents of which are based on practical experience as a comptroller, will suggest management techniques to control the internal factors and to minimize the impact of those external factors effecting the commander's financial management program. More specifically, it will discuss the tactical unit financial management cycle and associated management techniques.

## FINANCIAL MANAGEMENT CYCLE

<u>MANAGEMENT TECHNIQUES</u>	<u>PHASE</u>	<u>TIME PERIOD</u>
COMMAND DECISION	TRAINING/BUDGET GUIDANCE	MARCH
BBAC *	BUDGET FORMULATION	APRIL
COMMAND REVIEW	RECEIPT OF FUNDS	OCTOBER
TUFMIS **	QUARTERLY EXPENDITURE PLAN	OCTOBER
UFR LIST ***	UNIT EXECUTION	OCT-SEP
DECREMENT LIST		

- \* BBAC-BATTALION BUDGET ADVISORY COMMITTEE
- \*\* TUFMIS-TACTICAL UNIT FINANCIAL MANAGEMENT SYSTEM
- \*\*\* UFR-UNFINANCED REQUIREMENTS LIST

FIGURE 1

## TRAINING AND BUDGET GUIDANCE

---

Receipt of training and budget guidance in March formally begins the tactical unit financial management cycle. It is important to point out that although this guidance is published in March for the following fiscal year which begins in October, the commander may begin to identify and plan training requirements as early as January. By planning early the commander will have sufficient time to develop, plan, and review total requirements.

The Army has published training and budget guidance for many years, but only recently have they done a better job of tying together these two important documents. The training and budget guidance is based on input from the G-3 (division operations), the G-4 (division logistics), and the division financial management officer (DFMO). This guidance reflects information extracted from the major command (MACOM) budget manpower guidance and the division long range training plan.

The training and budget guidance provides the commander with (1) minimum essential (required) training, (2) funding guidance, and (3) budget submission instructions. The minimal essential training will include all required or directed unit training. The brigade and battalion commanders will probably want to include their training requirements in this guidance. The installation

funding guidance may require the budget to be prepared either constrained (and contain a budget target) or an unconstrained budget may be prepared. If the funding guidance is constrained, funding levels will also be provided in the guidance. The budget submission instructions will include technical details for budget preparation, formating instructions, time scheduling, and costing methodology.

Training and budget guidance is normally not the most exciting document to read; however, an understanding of it is essential to effective budget preparation. Many installations and divisional units conduct internal training programs to assist battalion and brigade staffs with the intricacies of budget formulation. These classes will include information on how to identify training requirements, how to provide accurate cost estimates, budget prioritization techniques, and budget execution information. Commanders indicate these classes are very effective for both budget formulation and execution.

## BUDGET FORMULATION

---

Budget formulation is probably the most important step in the tactical unit financial management cycle. It is important to the commander because it provides an opportunity to "come on line" and identify financial requirements. The commander should, at all times, attempt to link together training requirements with the resources necessary to accomplish the mission.

A technique currently used to identify budget requirements is the "TOTAL REQUIREMENTS" approach. Using this approach, the commander will initially identify all training or resource requirements without concern for funding constraints. Total requirements must consider both mission and base operation functions or support.

It is not within the scope of this paper to discuss budgeting for base operation functions or support; however, I must say just a little about these critical requirements. When we speak of base operation requirements, we speak of things such as barracks furniture, dinning facilities equipment, dayroom furniture and equipment, duplicating machines, office machines, administrative use vehicle requirements, reenlistment funds, morale support funds, engineer repair funds, and minor construction just to name a few. While you as the tactical unit commander are preparing a

training budget, the base operations personnel are also preparing their budget requirements. At this time it is important for you to identify to them your support requirements so that they will be included in their next year's budget request.

The development of a total requirements budget requires a thorough understanding of the unit's training schedule as well as other unique mission and support requirements. The commander can use the division master training schedule and add to it the unit's unique training requirements. These training requirements may be determined on the basis of the unit's last Army Readiness Training Evaluation Program (ARTEP) or by using the Battalion Training Management System (BTMS). The unit battalion budget advisory committee (BBAC) will work together with the commander to identify and prioritize total requirements.

Once the total requirements (figure 2) have been identified and prioritized, the unit must estimate the cost of executing each event or requirement. The costing process may be accomplished using one of the following three methodologies:

(1) Training Management Control System (TMACS). TMACS is currently available for use in all divisional units. It is an automated system which uses the Pulau 2000 microcomputer to provide cost estimates for battalion training. This system uses locally developed historical costs combined with equipment usage factors to project future training costs. TMACS allows the commander to establish training priorities and evaluate tradeoffs in the training program. (2:3)

(2) Cost Factor Handbook. A cost factor handbook is useful in developing a battalion budget. The installation or MACOM developed cost factor handbook will provide detailed operating cost factors for all equipment. These cost factors may be used to manually develop a budget or they may be easily adapted to microcomputers to assist in budget development. (3:1) For example, the budget contained at enclosure 6 was prepared using an Apple computer and a cost factor handbook.

(3) Incremental Cost System. The use of an incremental cost system is by far more work and it will produce a less accurate budget. This system involves making adjustments to last year funding level based on known mission changes, personnel changes, new equipment, and adding an estimated inflation factor.

It is important to note that although we develop an unconstrained total requirements budget, at some point in time, a resource limit will be applied to the unconstrained budget. The resource limit forces us to consider two important management techniques: (1) Unfinanced Requirements List (UFR), and (2) Decrement List. Those items that fall above the resource limit will comprise the unit's unfinanced requirements list (UFR). This UFR list along with impact statements for each requirement will be forwarded with the command operating budget. It is a good management technique to update this unfinanced requirements list at least quarterly and forward it to the DFMD for consideration at divisional command reviews. Those items that lie within 5 % below the resource limit will form the decrement list. Those items on



the decrement list would only be used by the commander if a reduced funding level occurs. The decrement list portrays in order those training events that would be cancelled if the unit experiences a funding shortage.

After completion, the total requirements budget is forwarded to the division financial management officer (DFMO) for consolidation into the division and installation command operating budget estimate (COBE).

## TOTAL REQUIREMENTS BUDGET

BN CPX	3 DAYS	3000	
BN FTX	5 DAYS	10000	UNFINANCED REQUIREMENTS
BN LIVE FIRE EXERCISE		1000	
-----RESOURCE LIMIT-----			
BN TEWT	2 DAYS	500	
BDE CPX		4000	BATTALION DIRECTED TRAINING
BN NTC		50000	
BN TANK GUNNERY		25000	
-----			
USAR SUPPORT		15000	
REFORGER		40000	
WEAPONS QUALIFICATION		1000	DIVISION MASTER TRAINING
ARTEP		10000	
GARRISON OPERATIONS		50000	
GARRISON SUPPORT		20000	
-----			
TOTAL REQUIREMENTS		\$150,000	

FIGURE 2

## RECEIPT OF FUNDS

---

The next step in the tactical unit financial management cycle is the receipt of funds. The unit will normally get an indication of the funding level for the new fiscal year in late August or early September when the installation receives the marked up command operating budget (COB) from the MACOM. This marked up COB will be the basis for initial fund allocation to the units. Again, it is important to note that the unit can not begin to spend funds on 1 October until it receives written notification of funding levels in the form of a funding advice document. The funding advice document serves as authorization for the unit to begin spending and it identifies unit funding levels by quarter and classes of supply. (Repair Parts, General Supplies and Self Service Supply Center).

If the unit's funding level is less than the total requirements previously identified during the budget formulation phase, the commander must determine how to absorb the shortfall. Two management tools come into play at this time. The commander can use the decrement list to determine what training events to cancel and he can use TMACS to reevaluate his current training plan. Adjustments to training events can be made by reducing the projected duration of an event, the number of vehicles used, or

the number of miles driven.(2:8) As a last resort, the commander can cancel training events. This is not a good option because of the difficulty in scheduling both training areas and ammunition.

If the unit is given more funds than requested (highly unlikely), the commander can use his unfinanced requirements list to determine what events he can now fund and execute.

With the funding advice document in hand the commander is now ready to submit his quarterly expenditure plan and begin to execute both his training and financial plan.

## QUARTERLY EXPENDITURE PLAN

---

Apportionment of spending in the form of the quarterly expenditure plan is required by both Federal law and Army regulation. AR 37-20 is the Army's implementing regulation (for the anti-deficiency act) which requires apportionment of spending by quarter. This leads us to the submission of the quarterly expenditure plan, which is the next phase in the tactical unit financial management cycle. As an additional note, some installations carry it further and require a monthly expenditure plan. The quarterly expenditure plan is a unit prepared document which identifies quarterly projected spending requirements.

Although it is not within the scope of this paper, some comments about the anti-deficiency act are necessary. The anti-deficiency act is a public law and in it's simplest form requires the following.

- (1) Apportionment of spending by quarter.
- (2) No spending in advance of congressional appropriation.
- (3) Funds must be spent on programs they were appropriated for: for example, training funds can not be spend on construction projects.
- (4) Agencies must remain within funding limits.
- (5) Agencies must establish a system to track spending.

For additional information on the anti-deficiency act refer to Army Regulation 37-20.

The quarterly expenditure plan, which is prepared upon receipt of funding targets, is an important document to both the commander and the installation for several reasons. First, the quarterly expenditure plan is used by the DFMD to establish spending limits (commitment ceilings) in the TUFMIS Program for battalions and companies. These ceilings may be adjusted each quarter as the quarterly expenditure plan is updated by the battalion. Secondly, the quarterly expenditure plan is important to both the commander and the installation because this plan serves as the yard stick by which budget execution performance is measured through out the fiscal year. If budget execution performance deviates from the expenditure plan by more than plus or minus 5%, adjustments to the funding level will most likely occur. For example, if budget execution is significantly less than the expenditure plan, the unit might receive a reduction in its annual funding program. On the other hand, if the battalion is spending at a rate greater than the expenditure plan, additional command emphasis may be placed on the battalion to reduce future spending. The decision on how to reduce future spending might be left to the judgment of the commander or it could be directed from higher headquarters.

The quarterly expenditure plan displays the units command operating budget by quarter. Through out the year the quarterly expenditure plan (projected cost) is compared with TUFMIS Reports (actual cost). This comparison is the basis for the unit's

command review, and installation's budget execution review (BER).

The expenditure plan is closely tied to unit budget execution.

## UNIT BUDGET EXECUTION

---

The commander has considerable latitude in the execution of his financial management program. He will find, at the present time, there is no standard budget execution guidance throughout the Army. Financial management policies and programs will vary from one installation or MACOM to another. For this reason it is extremely important for the commander to receive a thorough staff briefing from the DFMD or installation comptroller.

The commander may make the decision to either centrally control the funds at battalion level or to decentralize fund control to company level. The decision to have central versus decentralized control at battalion level is a function of the environment and level of expertise of the staff. For example, a unit operating in a TUFMIS environment would be better able to have centralized control than a unit operating on a nonautomated accounting system. A battalion which has all its subordinate units at the same location is better suited to central control. A unit with a good financial management standard operating procedures (SOP) and effective commanders could better execute under decentralized fund control.

In tactical unit financial management, the commander should use the following generally accepted financial management



techniques: command review, battalion budget advisory committee, TUFMIS, unfinanced requirements list, and a decrement list.

The use of a battalion command review is a good management technique to measure budget performance and keep a battalion within its funding level. Through the use of monthly command reviews, the commander will be able to identify problems early and take corrective action to keep budget execution in line with projected funding levels. The staff can prepare simple charts, using the TUFMIS reports as source documents, to highlight battalion performance. The commander should compare planned performance (Quarterly Expenditure Plan and TMACS) against actual performance (TUFMIS OUTPUT) to identify any significant deviation. Trends of high spending will be identified early and the commander may want to curtail or reduce future training to remain within funding limits. Trends of low spending may be countered by increasing training activity and events or by purchasing needed items from the UFR list. An example of a Command Review is provided at enclosure 1.

The use of a battalion budget advisory committee (BBAC) is an excellent management technique. A BBAC is similar to the installation Program Budget Advisory Committee. Its purpose is to prepare the budget, monitor budget performance and to advise the commander on budget execution. The use of this management technique does not deprive the commander of command authority. Quite the contrary, the use of this committee will enhance the commanders ability to manage by bringing all the key players of

the financial management arena. The BBAC will be comprised of the battalion executive officer serving as the chairman, the operations officer (S-3), the supply officer (S-4), the battalion motor officer, and representatives from subordinate units (usually company executive officers). The BBAC can meet in conjunction with one of the following time periods: the phases of the tactical unit financial management cycle, the output reports from the TUFMIS system, unit readiness reporting periods or it can meet in conjunction with the battalion training meetings.

As suggested earlier in this report, the commander should consider using both a decrement list and an unfinanced requirements list. The decrement list, prepared by the BBAC, contains in priority order those training events the battalion would not execute if there was a reduction in the funding level. The decrement list can also be used to identify tradeoffs for a unit that is spending in excess of the quarterly expenditure plan. This decrement list should be used as a unit working document and not forwarded to higher headquarters unless specifically requested.

The unfinanced requirements list should be prepared for both mission (training) requirements and base operation requirements. The unfinanced requirements list contains in prioritized order those additional high priority training events which could be executed this fiscal year if additional funds become available. This list should be updated quarterly and forwarded through command channels to the DFMD for consideration at the divisional

or Installation Program Budget Advisory Committee (IPBAC), Quarterly Review, and at the midyear command budget execution review (REB).

The funding level for a typical battalion could well exceed \$1.0 million and the commander must have a management system to track and account for the funds. There are several systems to monitor spending currently being used throughout the Army. For example, the Tactical Unit Financial Management System (TUFMIS) is the Department of the Army standard system for use in all divisional units. The Resource Management Reporting System (RM/ER) is currently being used for nondivisional financial management in Europe. Other systems such as Control of Logistic Expenditure (COLEX) are currently being used by tactical units not served by TUFMIS or RM/ER. As the Direct Support Unit Standard Supply System (DS4) is extended throughout the Army in 1985, TUFMIS will become the standard system for monitoring tactical unit financial spending in the Army.

TUFMIS provides the commander with an automated system to monitor and control the status of funds within the unit. TUFMIS is a checkbook type system that will provide the commander weekly reports showing the status of unit funds. TUFMIS is designed to provide the divisional or non-divisional commanders and managers with dollar value information on supply issues by unit, the availability of funds to purchase supplies, and to categorize material expenditures by type of weapon system. (4:34-42)

TUFMIS has three weekly reports which are of interest to the commander and his staff: the Commitment Accounting for Unit Funds

Report (PCN AVE-85A) enclosure 2, the Commitment Accounting Summary Report (PCN AVE-85B) enclosure 3, the Equipment Operating Report (PCN AVE-95A) enclosure 4. (4:3)

The commitment accounting for unit funds report gives a detail listing of all valid unit requisitions. All valid supply transaction will appear on this report. This report should be reconciled with the unit document register weekly to determine the validity of transactions processed and charges against the unit. If a transaction has been processed erroneously, research into the transaction should be conducted and corrective action taken. This report may also be used by commanders to discipline the supply system. For example, the commander may select a few transactions from each cycle and verify that supply personnel have completed the transaction by closing out the document register, and updated hand receipts, and shortage annex's. This type of command interest will significantly reduce any fraud, waste, or abuse in the supply system.

The commitment accounting summary report provides the battalion in summary form the dollar value of transactions processed by class of supply by unit. This report is used to insure the total expenses for each unit have not exceeded their funding targets for the period. This report may also serve as the source document to prepare charts for the battalion's command review and as a tool for the commander to make company level comparisons. Reprogramming of funding targets may be necessary if a unit exceeds their funding targets. (4:34)

The equipment operating cost report lists by unit the cost to operate various weapon systems. This report is used for cost and budgetary controls. It also may be used to determine battalion equipment operating cost factors. For example, if the repair parts cost to operate a particular type of vehicle for the quarter is \$25,000 and this fleet of vehicles operated 50,000 miles, the cost per mile would be \$0.50 for repair parts.

TUFENIS as a management tool has been in operation for several years. It is not a perfect system, but at the same time one must recognize that it will save the unit many long hours of work in tracking supply costs. There are always system upgrades in progress and users of this system are encouraged to submit system change request to Fort Ben Harrison (ATTN: DACA-FAC-L).

## SUMMARY

---

In summary, there are many conclusions that can be drawn from this report. Financial management in the 1980's is a very dynamic process. Significant dollars are involved in tactical unit financial management. Commanders must get involved. A good understanding of the tactical unit financial management cycle combined with the use of associated management techniques such as battalion budget advisory committee, an unfinanced requirements list, a decrement list, and periodic command reviews will significantly improve tactical units financial management. Commanders must play an active part, because they are being held accountable for financial management. As commanders face future shrinking resource levels and growing mission requirements, the challenges multiply. Experience in recent years clearly demonstrates that commanders who play an active role in financial management and those units that have incorporated financial management techniques suggested in this paper are able to effectively managed both internal and external factors influencing financial management in the Army today.

## RECOMMENDATIONS

---

1. Increase emphasis on consumption of resources by including a comment on officer and noncommissioned officer efficiency reports relating to "efficient use of resources".
2. Expand the capabilities of the Training Management Control System (TMACS) to provide a more comprehensive command operating budget estimate. For example, TMACS should include detailed cost information by class or supply or TUFMIS cost factors could be linked to TMACS cost estimates.
3. Integrate financial management training into all officer and noncommissioned officer formal training schools.
4. Recommend the US ARMY Finance Center establish standardized tactical unit financial management guidance and systems for use through out the Army. This guidance should include much of the information contained in this report.
5. Recommend the Tactical Unit Financial Management System (TUFMIS) AND Resource Management Expense Reporting System (RM/ER) be combined to include the best features of both programs.

6. Provide to the commander sufficient information so he knows both "What is expected of him and how to accomplish the financial management task".

7. Commanders should become familiar with the publications list in the bibliography and the commanders checklist at enclosure 6.





ENC 2

PREPARED 15 AUG 81

TACTICAL UNIT FINANCIAL MGT INFO SYS (TUFMIS)

PCN AVE-35K

## COMMITMENT ACCOUNTING FOR UNIT FUNDS

UIC - AGMAO  
NAME - A 2/5 ARM

NAME - A 2/5 ARM

[illegible]

CLASS	FUNDS REQSD THIS CYCLE	FUNDS REQSD PREVIOUSLY	CREDIT	TOTAL TO DATE	TARGET	FUNDS AVAILABLE	% UTIL
65	\$0.00	\$276,425.83	\$0.00	\$276,425.83	\$0.01	\$276,425.82-	***
9	\$11.40	\$609.60	\$0.00	\$621.00	\$0.01	\$620.99-	***
TOTAL	\$11.40	\$277,035.43	\$0.00	\$277,046.83	\$0.02	\$277,046.81-	***

# COMMITMENT ACCOUNTING SUMMARY REPORT

ENCL 3

PREPARED 15 AUG 81		TACTICAL UNIT FINANCIAL MGT INFO SYS (TUFMIS)					PCN AVE-558	
UNIT		COMMITMENT ACCOUNTING SUMMARY REPORT						
ASP	HQ 1/7 ARM	CL	FUNDS REQSD THIS PERIOD	FUNDS REQSD PREVIOUSLY	CREDIT	TOTAL TO DATE	TARGET	FUNDS AVAILABLE
AD A 1/7 ARM		GS	\$0.00	\$3,120.00-	\$0.00	\$3,120.00-	\$0.01	\$3,120.01
AD A 1/7 ARM		9	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01
TOTALS			\$0.00	\$3,120.00-	\$0.00	\$3,120.00-	\$0.02	\$3,120.02
PD CSC 1/7 ARM		GS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01
PD CSC 1/7 ARM		9	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01
TOTALS			\$0.00	\$0.00	\$0.00	\$0.00	\$0.02	\$0.02
TO HQ 1/7 ARM		GS	\$0.00	\$537.40	\$0.00	\$537.40	\$0.01	\$537.39
TO HQ 1/7 ARM		9	\$15,706.84	\$5,735.36	\$0.00	\$21,442.20	\$170,169.00	\$148,726.80
TOTALS			\$15,706.84	\$6,272.76	\$0.00	\$21,979.60	\$170,169.01	\$148,189.41
TOTALS FOR CLASS		GS	\$0.00	\$2,582.60-	\$0.00	\$2,582.60-	\$0.03	\$2,582.63
		9	\$15,706.84	\$5,735.36	\$0.00	\$21,442.20	\$170,169.02	\$148,726.82
TOTALS FOR CYCLE			\$15,706.84	\$3,152.76	\$0.00	\$18,859.60	\$170,169.05	\$151,309.45

# EQUIPMENT OPERATING REPORT

PREPARED 15 AUG 81

PCW AVE-95A

TACTICAL UNIT FINANCIAL MGT INFO SYS (TUFMIS)

## EQUIPMENT OPERATING COST

UIC	UNIT	DIC	WSDC	NSN	NOMEN	U/I	QTY	RON	PRI	UNIT PRICE	TOTAL PRICE
AGPTO A 1/7 ARM		AOA	BM	1005-00-0179806	BOLT,BRE	EA	13	6209-2009	13	61.81	803.53
		AOA	BM	1005-00-0212459	CONTROL	EA	17	6209-2010	13	332.00	5,644.00
		ZAC	BM	1005-00-0212459	CONTROL	EA	17	6209-2013	13	332.00	5,644.00
		AOA	BM	1005-00-0577079	LEAD ASS	EA	17	6209-2015	13	27.96	475.32
		AOA	BM	1005-00-0197910	SIGHT,RE	EA	217	7209-2009	13	14.47	3,139.99
									WSDC BM TOTAL		15,706.84
									UNIT TOTAL		\$15,706.84

## TACTICAL UNIT COMMANDERS FINANCIAL CHECKLIST

1. Do you know the funding ceiling limits allocated to the unit?
2. Do funding ceiling limits agree with those figures reported by the division financial management office?
3. Is the unit maintaining a TDY control log to plan, program, and control TDY spending?
4. Have spending ceilings been distributed to each company/activity as necessary to meet mission and training requirements?
5. Do financial managers at battalion and company review each TUFMIS printout verifying high-dollar (\$250) and large-quantity requisitions?
6. Are battalion and company financial managers accurately posting TUFMIS results to the checkbook record?
7. Have procedures been established to track and manage spending (requisitions) as they occur?
8. Do supply and maintenance personnel exercise good judgment and constraint in processing requisitions?
9. Is there a yearly spending plan that will provide new and replacement items (wall lockers, furniture, mechanical kitchen equipment, drapes, etc.) for troop quality of life? Are these items on order early in the FY?
10. Are copies of local fund management guidance available?
11. Do you know what a violation of the anti-deficiency act is?
12. Does the battalion have a battalion budget advisory committee? How often does it meet?
13. Does the battalion have periodic command reviews?

ENCL 5

## SAMPLE BATTALION BUDGET

---

This sample battalion budget was created using an Apple computer, the VISICALC Program, and cost factor handbooks. The spreadsheet can use either VISICALC or MULTIPLAN Programs.

The spreadsheet is set up so that the user must enter the following data:

- (1) Current and projected unit strengths. (military manyears-MMY)
- (2) Standard cost factors from the MACOM.
- (3) MTOE authorized vehicles.
- (4) Projected vehicle mileage.
- (5) Production level for material mission cost.

This budget worksheet will allow the battalion staff to perform analysis in developing the budget. It offers the commander the ability to analyze alternatives. It can also be used to forecast training event cost by using Part VIII of the worksheet.

ENCL 6

# BUDGET WORKSHEET

## PART I: UNIT 205 TH TRANS BN (AVIM)

## PART II: MILITARY AUTHORIZED STRENGTH (MMY)

FY 83 MMY	556
FY 84 MMY	645
CHANGE	89

## PART III: CHEMICAL DEFENSE COST

	FY 84 MMY	STD COST	TOT COST
INITIAL	89	240	21360
SUSTAIN	645	55	35475
TOTAL			56835

## PART IV: CL VIII MEDICAL COST

	FY 84 MMY	STD COST	TOT COST
INITIAL	89	100	8900
SUSTAIN	645	10	6450
TOTAL			15350

## PART V: CL II & IV GENERAL SUPPLIES (INCLUDES SSSC)

	FY 84 MMY	STD COST	TOT COST
	645	279	179355

## PART VI: IDY COST

CEILING	ADMIN	MISSION	TOTAL
FY 84	9927	29625	39552

## PART VII: FLYING HOUR PROGRAM

TYPE	AUTH	FLY HOUR	STD COST	TOT COST
UH-1	2	100	147	14900
OH-58	1	125	134	16750
UH-60	1	90	598	53820
TOTAL				68720



# PART VIII: CL III & IX

VEHICLE	AUTH	MI/VEH	TOTAL MILES	CL III PER/MI	TOTAL POL \$	CL IX PER/MI	TOTAL CL IX \$
M35	10	3000	30000	0.24	7200	0.39	11700
M36	0	6000	0	0.22	0	0.21	0
M49	4	500	2000	0.27	540	0.21	420
M52	11	3000	33000	0.38	12540	0.21	6930
M54	1	12000	12000	0.34	4080	0.4	4800
M109	0	6000	0	0.26	0	0.21	0
M123	0	500	0	0.63	0	0.87	0
M151	11	400	4400	0.11	484	0.17	748
M543	2	12000	24000	0.33	7920	0.37	8880
M813	0	12000	0	0.33	0	0.4	0
M880	9	5000	45000	0.2	9000	0.31	13950
M275	0	12000	0	0.31	0	0.12	0
		0	0	0	0	0	0
		0	0	0	0	0	0
TOTALS	48		150400		41764		4 - 28

## PART IX: MATERIAL MISSION COST (DIRECT SUPPORT MAINTENANCE)

PROGRAM ELEMENT	STANDARD COST	PRODUCTION LEVEL	TOTAL COST
AIRCRAFT	1956	249	487044
A/C COMP	84	133	11172
AVIONICS	38	122	4636
QSS	10 % DS		48704
DX	199	200	39800
ASL	10% DS		48704
TOTAL		704	640061

## PART X: BUDGET SUMMARY

PROGRAM	FY 83 AFP	84 100%	84 95%	84 105%
CHEM DEF	45248	56835	53993	59677
CL VIII	14869	15350	14583	16118
CL III	43529	41764	39676	43852
CL IX	52458	47428	45057	49799
CL II&IV	167888	179955	170957	188953
FLYING HR	68999	68720	65284	72156
TDY	39555	39552	37574	41530
DS MAINT	465775	487044	462692	511396
QSS	37500	48704	46269	51140
DX	35444	39800	37810	41790
ASL	46958	48704	46269	51140
TOTAL	1018223	1073857	1020164	1127550



## BIBLIOGRAPHY

---

1. Comptroller of the Army. THE ARMY BUDGET FY 85  
January 1984.
2. Comptroller, FORSCOM. BATTALION COMMANDERS MANUAL FOR  
TRAINING MANAGEMENT CONTROL SYSTEM (TMACS)
3. Comptroller, FORSCOM. FORSCOM COST FACTOR HANDBOOKS  
VOLUME 1, 2, & 3 December 1983.
4. Comptroller of the Army. TACTICAL UNIT FINANCIAL  
MANAGEMENT INFORMATION SYSTEM (TUFMIS) MANUAL  
February 1981.